

Item # 8
March 9, 2011
Energy Commission Business Meeting

American Biodiesel, Inc, dba Community Fuels

Grant Agreement ARV-10-037
for
Expanding Access to Renewable Fuels –Port of Stockton Terminal

Summary

American Biodiesel, Inc. dba, Community Fuels will construct a new biodiesel terminal at the Port of Stockton. Community Fuels currently operates a 10 million gallon per year biodiesel production plant at the Port. Community Fuels plans to supplement their own production by importing biodiesel and biodiesel feedstocks into California. Community Fuels would certify the fuel for quality, re-process as needed and then sell finished biodiesel in California. The new biodiesel terminal installation will support the sale and distribution of up to 73 million gallons of fuel annually.

The new biodiesel terminal will benefit from the Port's trucking, rail and deepwater ship transport facilities and from the adjacent Community Fuels biodiesel production facility. The site of the proposed terminal benefits from having an existing quality control laboratory at the Community Fuels biodiesel production facility to verify that all fuel received and distributed from the terminal meets stringent ASTM D-6751 quality specifications.

California's weakest link for using biodiesel, and other bio-oils, is lack of bulk storage and blending facilities. Lack of biodiesel terminals significantly raises the cost to transport, store, blend and ultimately retail biodiesel fuel. This project provides one terminal blending facility and will leverage the existing diesel distribution infrastructure and expertise of petroleum distributors to increase biodiesel blends throughout California. This project is expected to lower the retail price of biodiesel by reducing storage and distributing expenses.

The Energy Commission is providing \$1,999,379 in Alternative and Renewable Fuel and Vehicle Transportation program funds. The project participants are providing a minimum of \$5,121,335 additional match funding.

Benefits

Successful completion of this infrastructure investment will result in a strategically located biodiesel terminal capable of efficiently distributing biodiesel in California at B5, B20 or B99 blend levels. The biodiesel supplied will reduce diesel exhaust emissions,

especially from older less emission controlled vehicles. Local air quality will be improved due to biodiesel's estimated net criteria pollution reductions.

At full capacity, the terminal could dispense up to 73 million gallons per year of biodiesel, representing 67 million equivalent gallons of diesel displacement, and corresponding annual reductions of 410,000 tons of greenhouse gas emissions and 217 metric tons of air pollution. Biodiesel reduces greenhouse gas emissions by 88 percent if made from waste grease and 12 percent if it is made from soybeans. This project's maximum volume could provide three times more biodiesel than historic California biodiesel sales.

This project's volume of biodiesel may provide key petroleum, GHG, and criteria emission reductions. According to Community Fuels, the project is anticipated to create 20 permanent jobs and up to 50 temporary construction jobs.

Participants

American Biodiesel, Inc. dba Community Fuels will construct and provide the biodiesel for this new biodiesel terminal.

Project Milestones

Community Fuels plans to begin construction in first quarter 2012 and begin operations in first quarter 2013.